SHINKA 2019
Evolution

KONICA MINOLTA

Konica Minolta, Inc.
1st Quarter/FY2018 ending in March 2019 Consolidated Financial Results

Three months: April 1, 2018 – June 30, 2018
– Announced on August 1, 2018 –

Seiji Hatano
Senior Executive Officer
Chief Financial Officer
Konica Minolta, Inc.

FY2018 1Q Financial Performance | Summary

[¥ billions]

	FY2018 1Q	FY2017 1Q	YoY	YoY (W/O Forex)
Revenue	255.2	232.4	+10%	+ 9%
Operating Profit	15.4	8.7	+77%	+ 46%
Profit attributable to owners of the company	11.2	5.4	+108%	

FOREX [Yen]			
USD	109.07	111.09	− 2%
Euro	130.06	122.19	+6%

Revenue

- Office Business revenue grew in all regions, and Professional Print Business also posted higher revenue, driven by Europe and China. Healthcare Business was affected by discontinuing the selling of certain purchased products, resulting in lower revenue. Industrial revenue increased with higher sales of Performance Materials, offsetting declines in sales caused by a slowing of demand in the Measuring Instruments business unit.

Operating profit

- Due to strengthening of profitability in core businesses, all business segments recorded growth in profits, in addition to which measures to liquidate assets through sale and lease back also generated income, leading to a significant year-on-year increase in profit for the Group as a whole.

FY2018 1Q Financial Performance | Revenue & Operating Profit by Segment

[¥ billions]

Revenue	FY2018 1Q	FY2017 1Q	YoY	YoY (W/O Forex)
Office	143.5	133.0	+8%	+6%
Professional Print	53.4	49.0	+9%	+8%
Healthcare	18.6	19.5	-5%	-5%
Industrial	31.6	28.7	+10%	+10%
Optical systems for industrial use	10.1	11.7	-14%	-15%
Materials and components	21.5	17.0	+26%	+28%
New business	7.8	1.9	+304%	+298%
Bio-healthcare	5.9	0.0	–	–
Others	2.0	1.9	+2%	+2%
Corporate, etc.	0.3	0.1	+111%	+95%
Company overall	255.2	232.4	+10%	+9%

Operating profit/OPM	FY2018 1Q		FY2017 1Q	YoY	YoY (W/O Forex)
Office	9.3	6.5%	5.3	+73%	+30%
Professional Print	1.7	3.1%	1.6	+6%	-24%
Healthcare	-0.2	-1.1%	-0.5	–	–
Industrial	6.8	21.4%	6.1	+11%	+15%
New business	-5.1	-65.1%	-2.7	–	–
Corporate, etc.	3.1	1012.7%	-1.1	–	–
Company overall	15.4	6.1%	8.7	+77%	+46%

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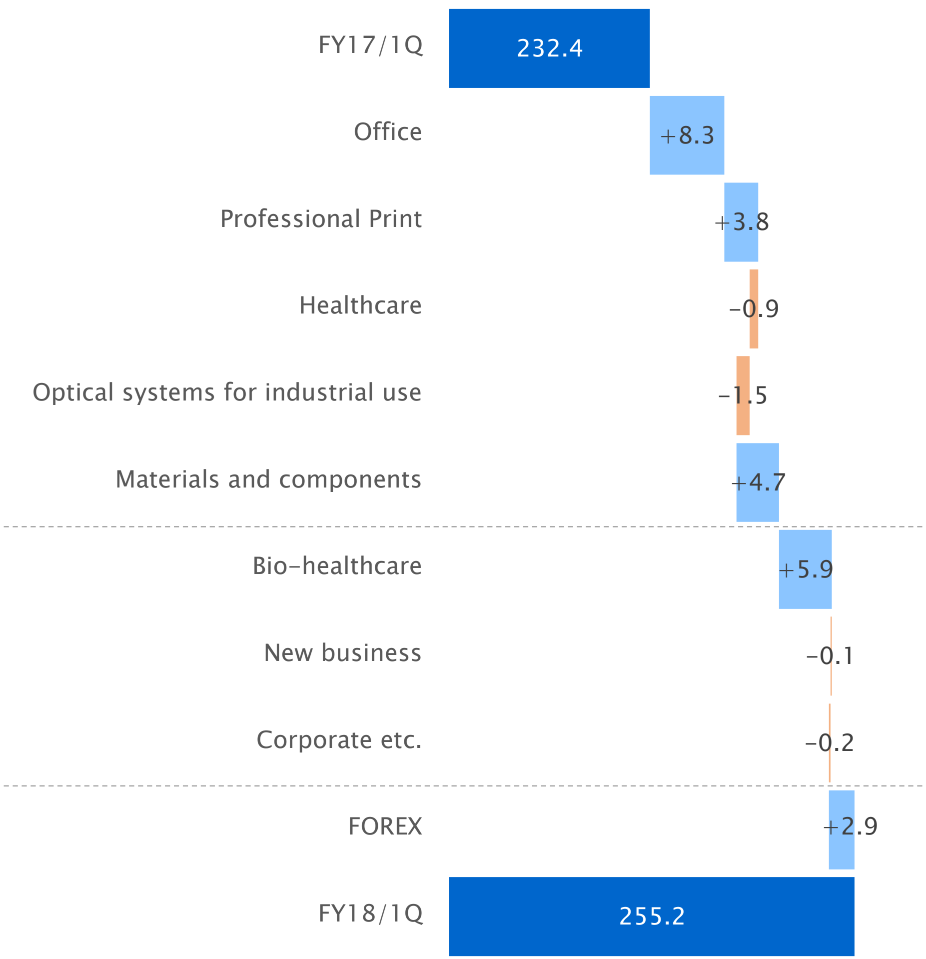
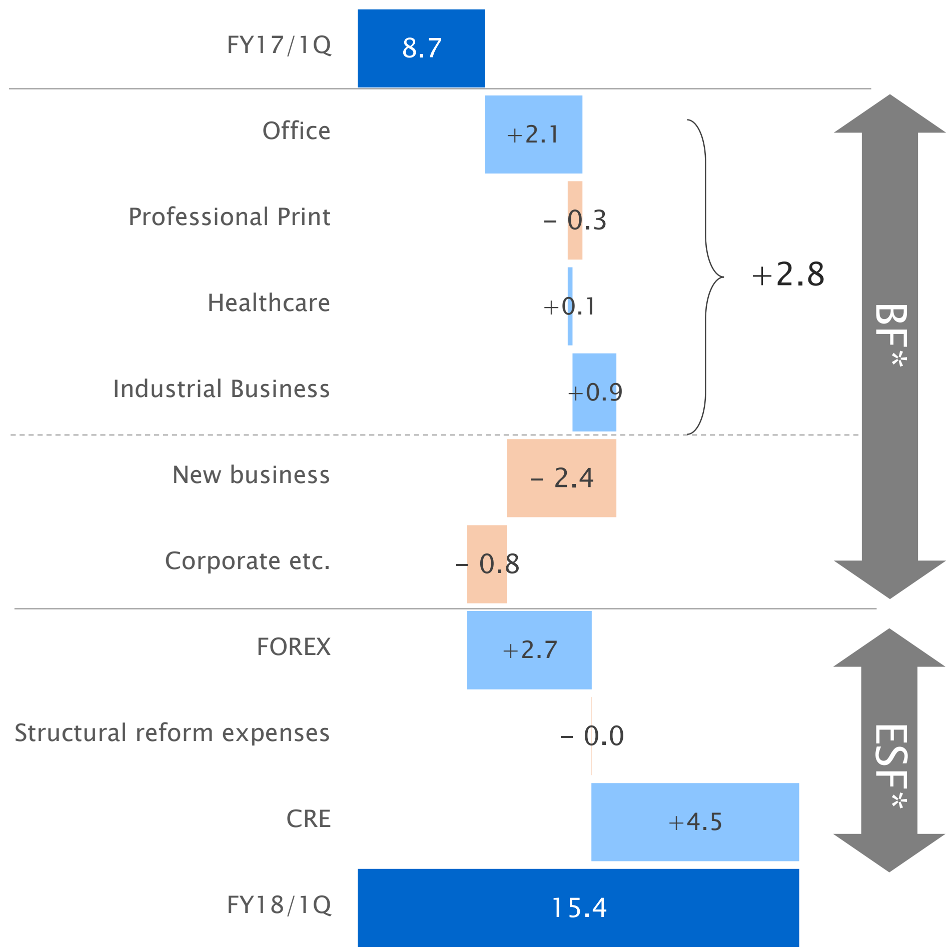
[¥ billions]

Revenue



Operating Profit



* BF: Business Factors; OP: Operating Profit;
ESF: External and Special Factors

- Promotion of structural reforms in Japan and overseas continues as part of the strengthening of profitability in core businesses set out in Medium Term Business Plan SHINKA 2019.
- Implemented sale & lease back as part of corporate real estate (CRE) strategy, expenses related to repairs/removals, etc. also arose.
- As of June 27, the Company concluded sale and lease back contracts for ownership of the land on its Tokyo sites (Hachioji and Hino), posting ¥9.5 billion in 1Q, with the remaining ¥10.6 billion to be recorded in 2Q and beyond.

Target and purpose		Impact on profit and loss			
		FY17 1Q	FY17 12M	FY18 1Q	FY18 12M
(1) Structural reform expenses	Special early retirement program in Japan, consolidation of warehouses/outsourcing of back-office in Europe, consolidation of locations in North America, etc.	-¥0.8 bn	-¥10.0 bn	-¥0.7 bn	-¥2.0bn to -¥3.0 bn
(2) CRE strategy	Global optimization of facilities use (land/buildings)	¥4.0 bn	¥20.9 bn	¥8.4 bn (S&LB ¥9.5 bn, repairs, etc. ¥1.1 bn)	ca. ¥13.0 bn (S&LB ¥20.1 bn, repairs, etc.)
(1)+(2) Total of one-off profit		¥3.2 bn	¥10.9 bn	¥7.7 bn	¥10.0 bn to ¥11.0 bn

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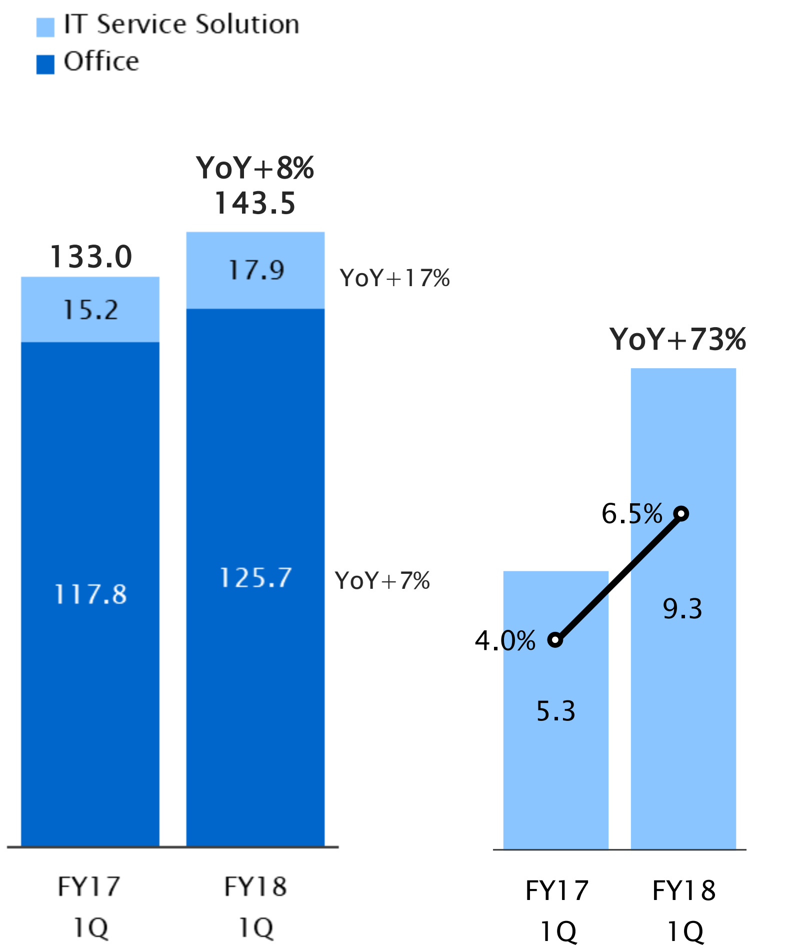
Revenue / Operating Profit

[¥ billions]



1Q Summary

Office

- Color sales volumes grew in Europe, primarily high-speed models, and monochrome sales also rose, leading to significant increase. In North America also, sales rose, mostly for high-speed color models.
- In China, India, and ASEAN countries, there was significant growth in color models from low-speed to high-speed. Partner sales also grew considerably.
- Progress was made in line with Company regional strategy, and although monochrome models declined overall, sales volumes of full-color model rose significantly, and overall A3 MFP sales volumes increased.

IT Services Solutions

- In the US, in addition to the continued impact of newly consolidated subsidiaries, sales of security solutions, etc. made contributions.
- In Europe, sales of managed content services with improved margins continued to rise due to enhancements to service system.

FY2018 1Q Business Segment | Professional Print Business

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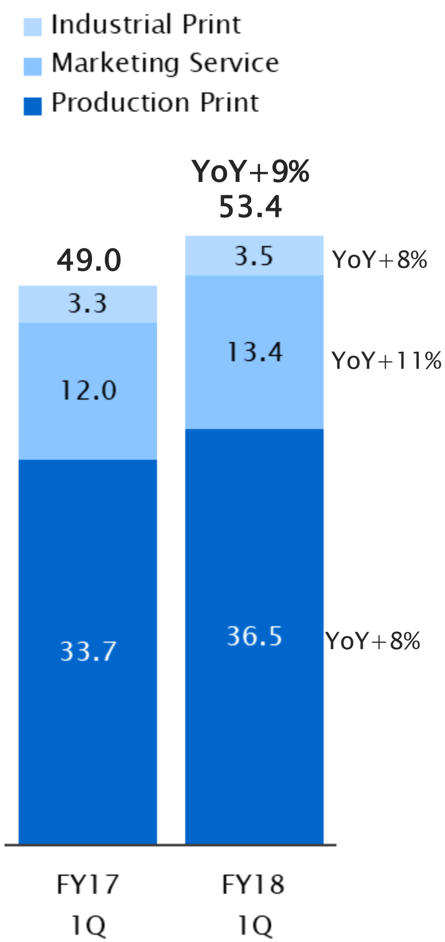
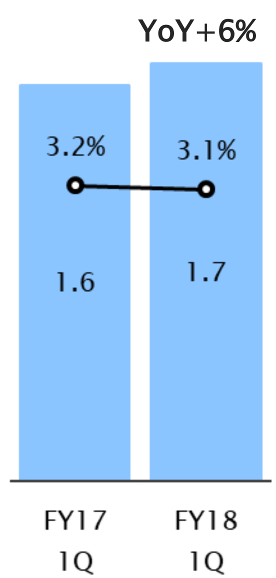
Revenue / Operating Profit

[¥ billions]





1Q Summary

Production Print

- Sales volumes in North America stayed the same year on year, but sales in Europe expanded, centered on the top-of-the-line color AccurioPress C6100 series. Also launched was the new AccurioPress C3080 series as an LPP product.
- In China and the ASEAN region, sales volumes increased significantly for all models.
- Overall, there were year-on-year increases for both monochrome and color equipment.

Marketing Services

- As well as recovery in demand at major customers, highly profitable digital marketing services grew, leading to revenue increase.
- Kinko's continued to record stable earnings.

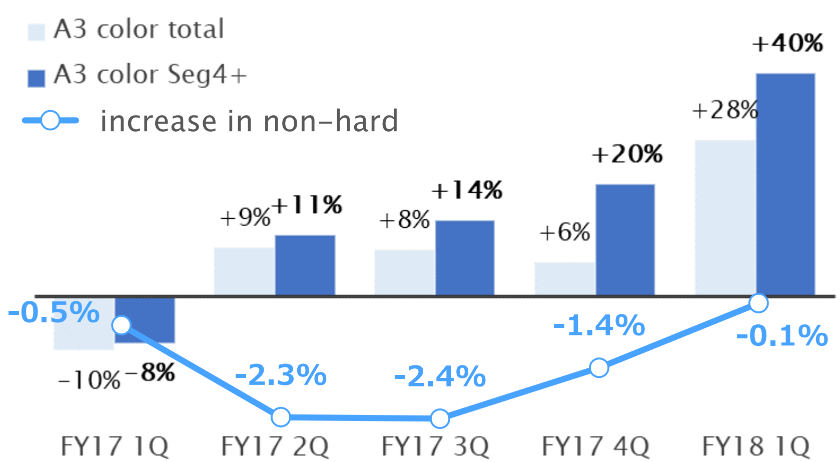
Industrial Printing

- In the industrial printing business unit, sales of "AccurioJet KM-1" digital inkjet press, label printers, and digital decoration printing equipment made by French subsidiary MGI are extending, primarily in North America and Europe.
- Continued to implement upfront investment to accelerate growth.

Office

- Significant growth centered on color 65/75 ppm models particularly in Europe and all regions, e.g. North America, Japan, China, India, ASEAN are also extending.

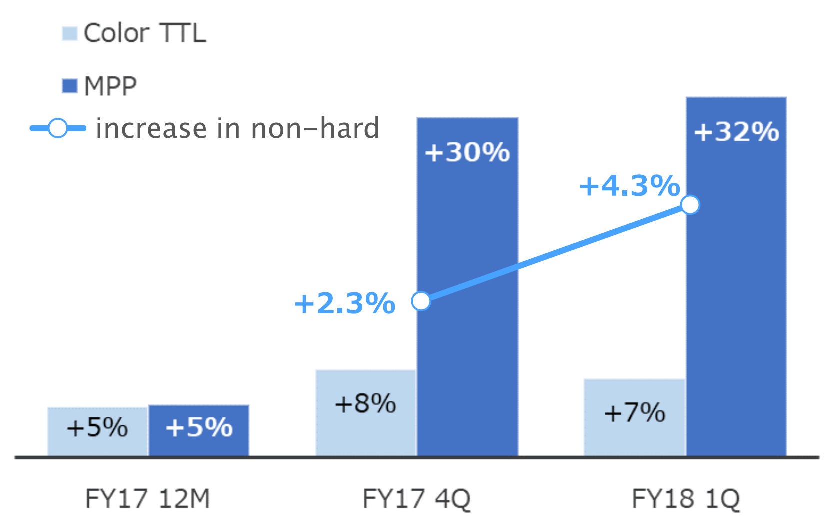
Year-on-year growth rate in A3 color MFP shipments



Production Print

- Attractive value proposition of AccurioPress C6100 series and IQ-501 have led to improved profitability
- Growth in sales volumes in Europe and China has been especially strong

Year-on-year growth rate in Production Print color models



FY2018 1Q Business Segment | Healthcare Business

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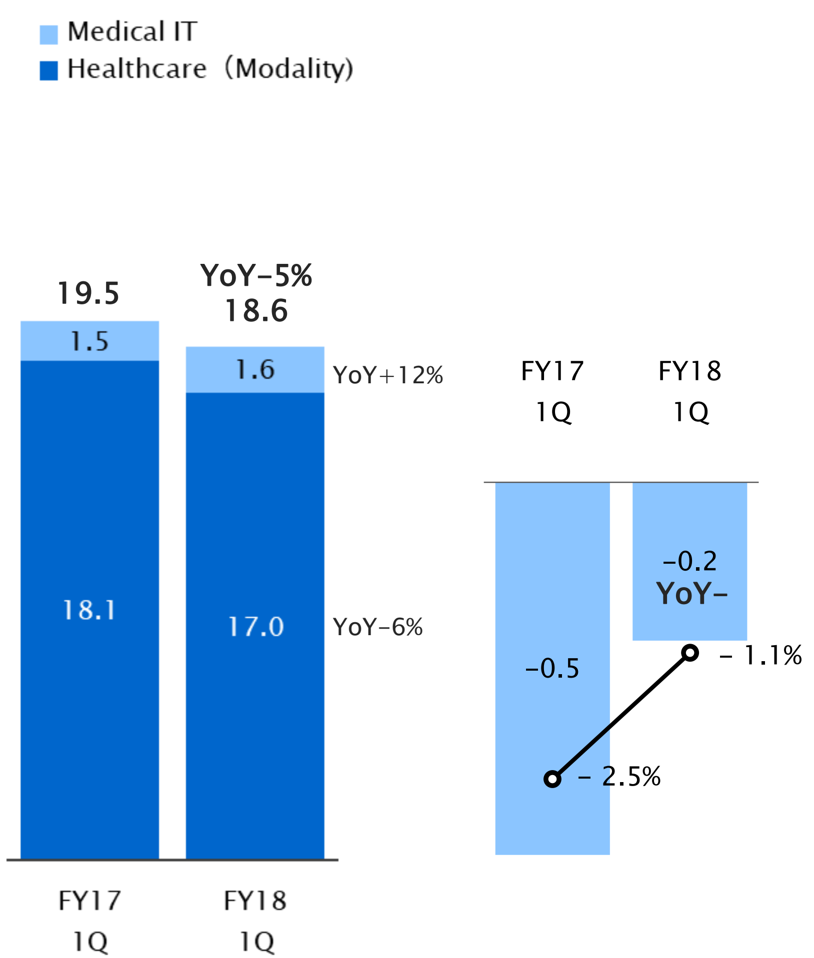
Revenue	Operating Profit

[¥ billions]



1Q Summary

Healthcare (Modality)

- DR: was strong in both Japan and the US. In the US, sales of integrated X-ray system products grew, in addition to sales of stand-alone DR products.
- Ultrasound: significant growth in US, China. In Japan, obstetrics and gynecology business acquired from Siemens Healthcare K.K. in the previous fiscal year also made progress.
- Impact of discontinuing selling of certain purchased products resulted in lower revenue.

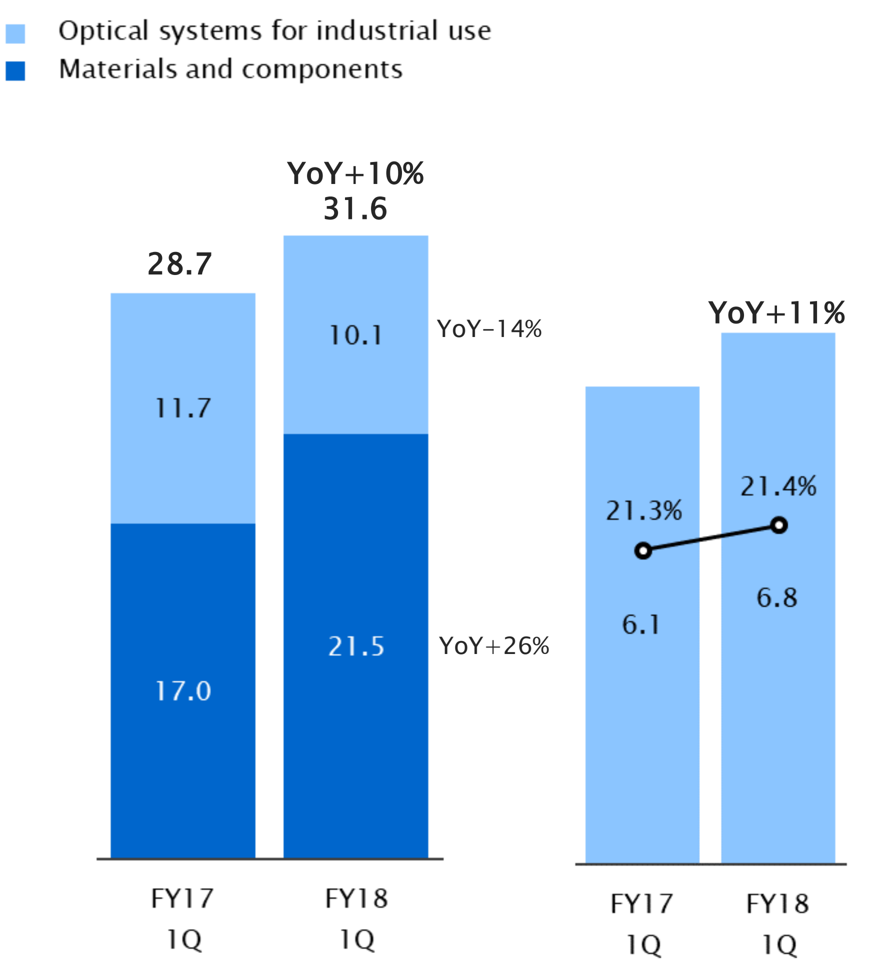
Medical IT

- In Japan, won major contracts related to hospitals.
- Service contract revenue also rose steadily.

FY2018 1Q Business Segment | Industrial Business

Revenue	Operating Profit

[¥ billions]



1Q Summary

Materials and Components

- Performance materials: continuation of strategy of shifting to high value-added products, such as new water-resistant VA-TAC films for large LCD TVs, and ZeroTAC films for IPS panels, and performance was strong.
- Optical components: sales of lens units for projectors and interchangeable lenses for cameras grew.
- IJ components: sales of heads for UV inks in Europe and China, were solid.

Optical Systems for Industrial Use

- Measuring instruments: continued to expand business opportunities by capturing surge of demand from customers, but due to slowdown in customers' display-related investment, which was the driver for the significant growth in sales last year, revenue fell.

FY2018 1Q Business Segment | Revenue in Industrial Business Sub-Segments

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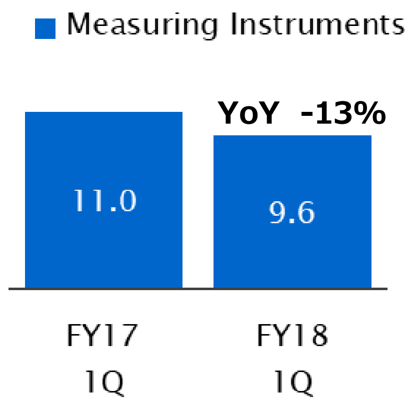
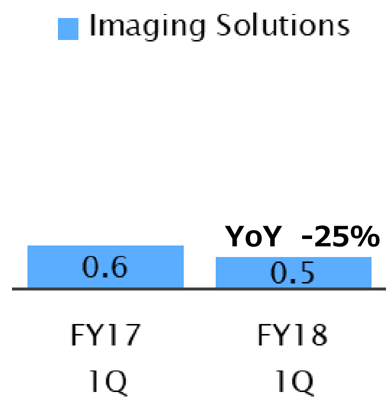
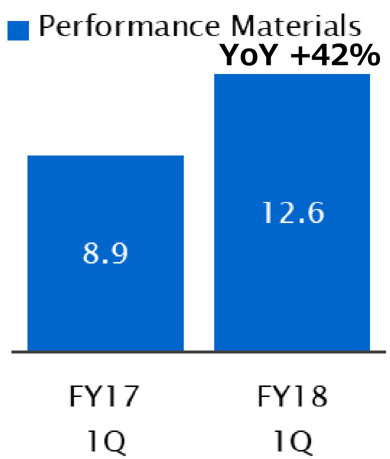
[¥ billions]

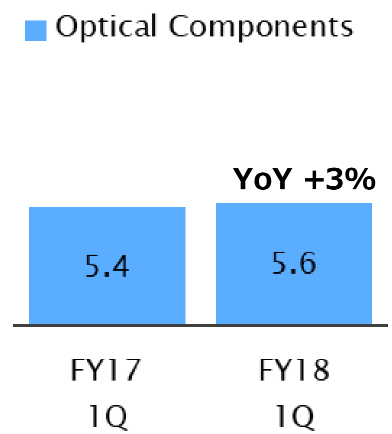
Optical systems for industrial use

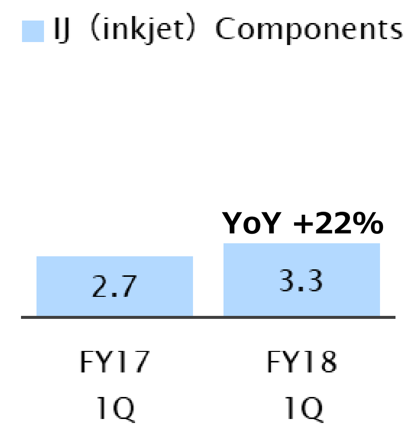




Materials and components







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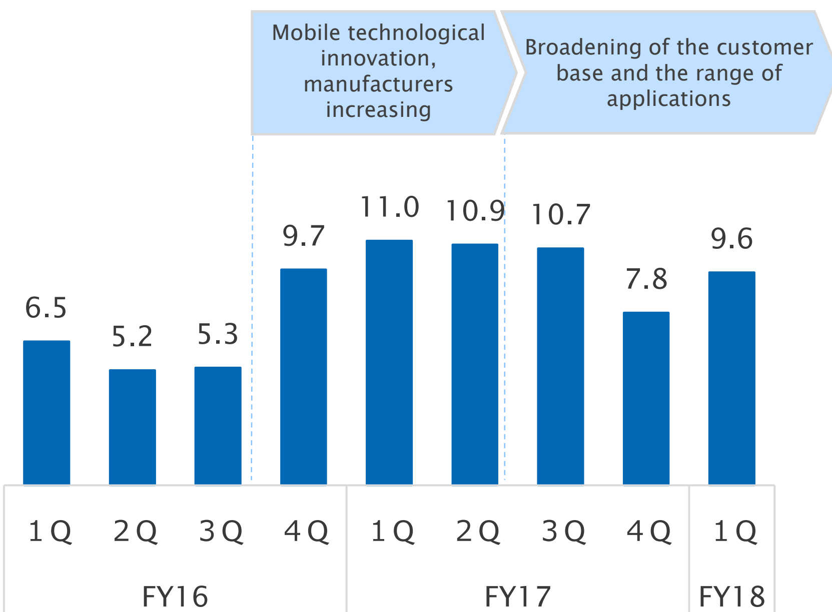
Measuring Instruments

- In addition to the following wind of technological innovation in mobile equipment, customer base expansion has been successful. There was a rise in the level of quarterly sales.
- YoY: revenue -13%
- QoQ: revenue +23%

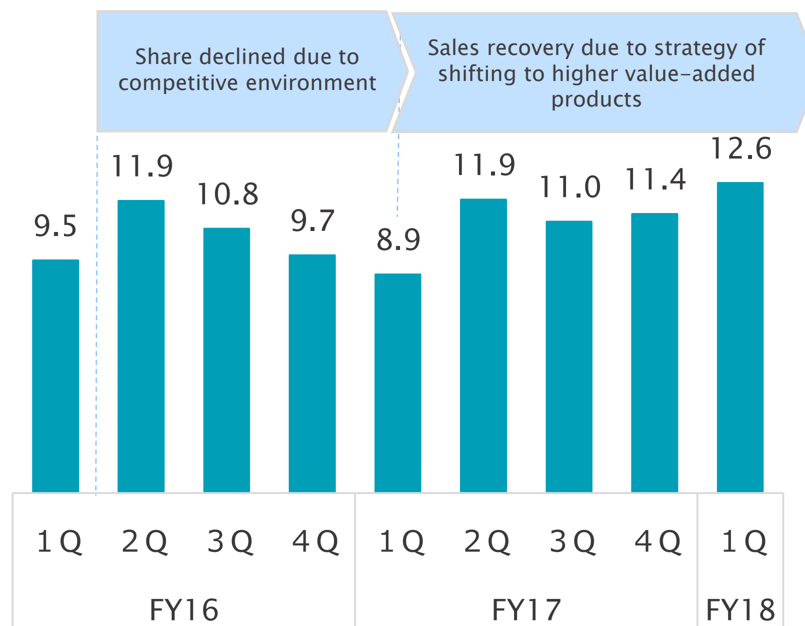
Measuring Instruments revenue (¥ billions)



Performance Materials

- The strategic shift to such high value-added products has borne fruit, and the trend of higher revenue has continued from FY17 3Q against the backdrop of the move to larger TVs.
- YoY: revenue +42%
- QoQ: revenue +11%

Net sales of Performance Materials (¥ billions)



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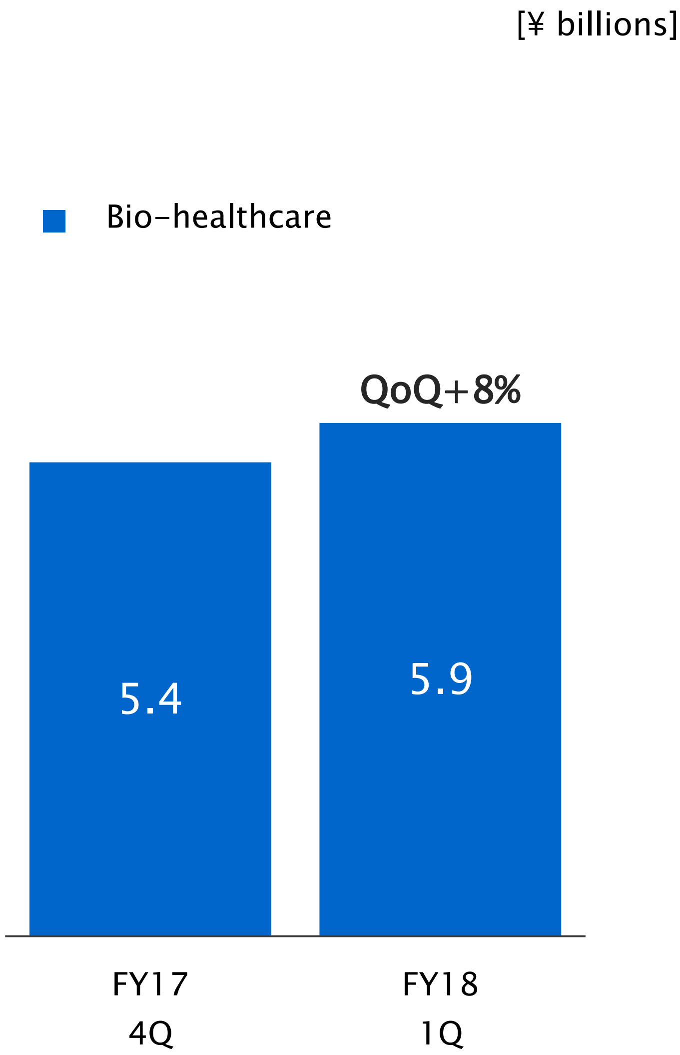
Revenue



1Q Summary

Genetic diagnostics (Ambry)

- As a result of a strengthening sales structure, the number of samples is increasing. Fundamental improvements are being made to the insurance reimbursement process, and review of the testing menu is complete.
- As a strategy to open the specialist cancer doctor channel, have concluded business alliance agreements with industry peers.
- As a stepping stone to develop the drug discovery/support business, have won a clinical trials project with a major pharmaceutical company, with growing pipelines.

Drug discovery/support (Invicro)

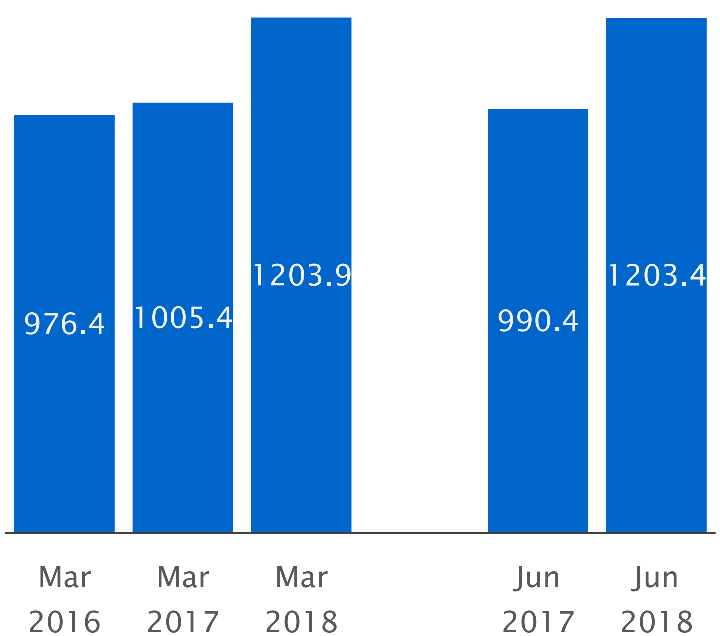
- Pipeline has exceeded forecasts on a value basis, and we are building a sales & marketing structure to maintain and ensure sufficient pipeline going forward.
- Completed technical introduction of HSTT, beginning joint proposals.

Domestic expansion

- Preparations for the expansion of the genetic diagnostics and drug discovery/support business are proceeding on schedule, and the hiring of the management team has been completed.

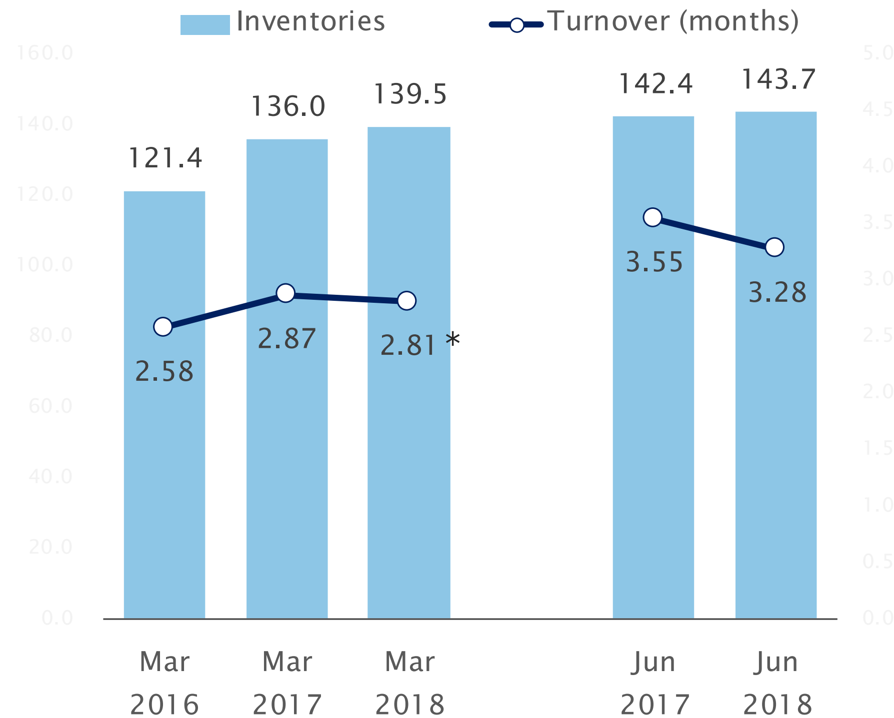
Total Assets [¥billions]

Increase in total assets caused by goodwill/intangible assets arising from Ambry/Invicro acquisitions in FY2017



Inventory/Turnover [¥billions]

Higher inventories resulting from stocks built in preparation for 2Q sales, and higher inventories in the growth business of industrial printing



Inventory turnover, in months = Inventory balance at end of fiscal year / Average cost of sales for most recent three months

* Since FY2018, including Ambry and Invicro

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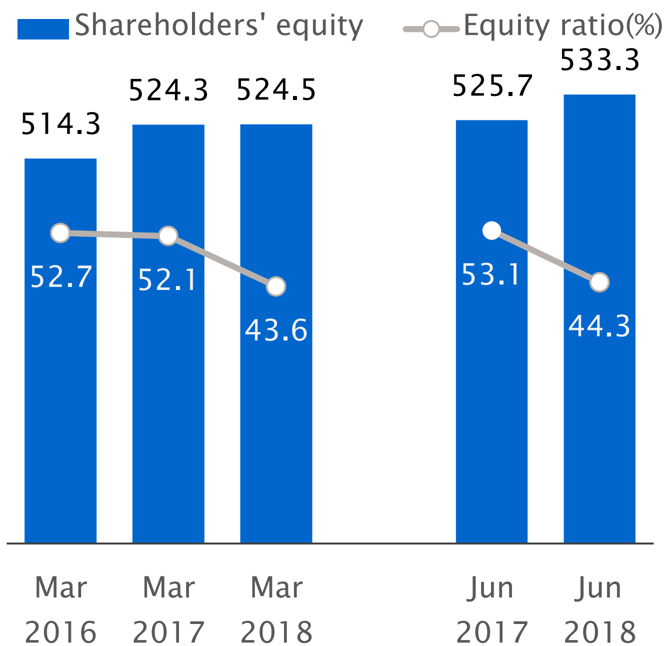
Equity & Equity Ratio [¥ billions]

Attributable to owners of the parent company

Despite the decline in the equity ratio caused by borrowing the funds necessary for the acquisition of the bio-healthcare business in FY2017, utilizing hybrid loans allowed us to maintain our credit rating at "A".



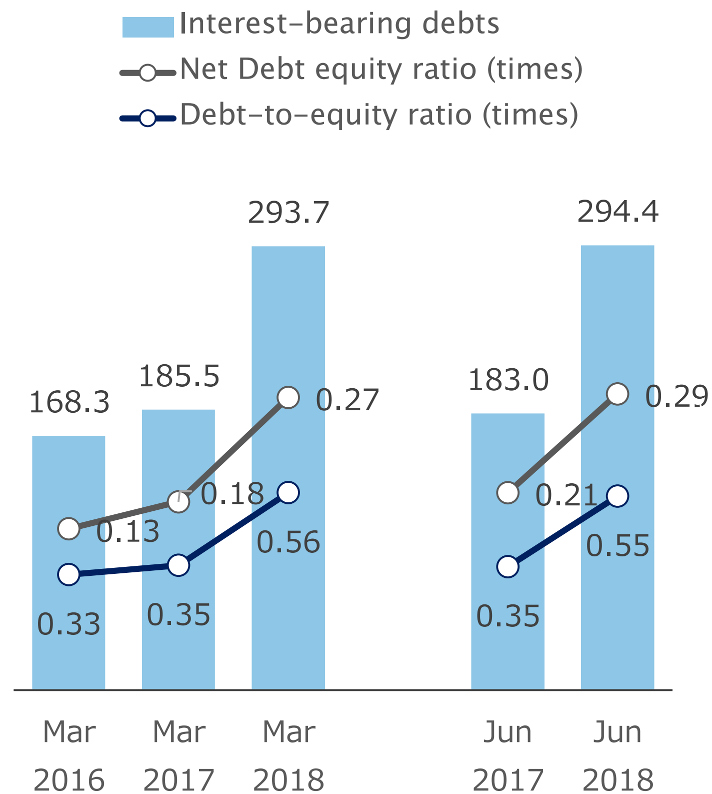
(For Company Rating 48.3%)

Equity = Equity attributable to owners of the company

Equity ratio = Equity attributable to owners of the company / Total assets

Interest-Bearing Debts & D/E Ratio [¥ billions]

Interest-bearing debts increased due to hybrid loan borrowings, resulting in higher debt-to-equity and net debt equity ratios.



FY2018 Earnings Forecast | Overview

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[¥ billions]

	FY2018 12M Forecast (current)	FY2018 12M Forecast (previous)	FY2017 12M Results	YoY
Revenue	1,080.0	1,080.0	1,031.3	+5%
Operating Profit	62.0	60.0	53.8	+15%
Profit attributable to owners of the company	38.5	37.0	32.2	+20%

FOREX [Yen]			
USD	105.0	105.0	110.9
Euro	125.0	125.0	129.7

Full-year earnings forecast

- Euro and US$ assumptions unchanged at ¥125 and ¥105, respectively.
- Net sales: left unchanged, given progress at the quarterly level.
- Operating profit : having taken into account that 1) asset liquidations through sale and lease back are exceeding assumptions set at the beginning of the fiscal year; 2) the rising probability that results will meet forecasts as a result of strengthened profitability in core businesses; and 3) the economic uncertainty caused by the US-China trade dispute, etc., we have revised the forecast upward by ¥2.0 billion.

Dividend forecast

- Annual dividend: Unchanged at ¥30 per share (¥15 for both interim and period-end).

Appendix

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[¥ billions]

	FY2018 1Q	FY2017 1Q	YoY
Revenue	255.2	232.4	+ 10%
Gross Profit	123.7	112.0	+ 10%
Gross Profit ratio	*48.5%*	*48.2%*	–
Operating Profit	15.4	8.7	+ 77%
Operating Profit ratio	*6.1%*	*3.8%*	–
Profit before tax	15.3	8.2	+ 86%
Profit before tax ratio	*6.0%*	*3.5%*	–
Profit attributable to owners of the company	11.2	5.4	+ 108%
Profit attributable to owners of the company ratio	*4.4%*	*2.3%*	–
EPS [Yen]	22.61	10.83	
CAPEX	8.6	8.2	+ 5%
Depreciation and Amortization Expenses	14.6	13.6	+ 7%
R&D expenses	20.4	18.5	+ 10%
FCF	-0.4	-8.6	-
Investment and lending	3.0	0.6	-
FOREX [Yen] USD	109.07	111.09	-2.02
euro	130.06	122.19	+7.87

Appendix SG&A–Other Income/ Expenses–Finance Income/Loss

[¥ billions]

	FY2018 1Q	FY2017 1Q	YoY
SG&A:			
Selling expenses - variable	12.0	11.2	+0.8
R&D expenses	20.4	18.5	+1.9
Personnel expenses	52.9	48.6	+4.3
Others	29.9	27.8	+2.1
SG&A total	115.3	106.1	+9.2
** Forex impact:*	*+1.2bn. (Actual: +8.0bn.)*		
Other income:			
Gain on sales of property, plant and equipment	9.6	4.0	+5.6
Other income	0.5	0.8	- 0.3
Other income total	10.1	4.8	+5.3
Other expenses			
Loss on sales of property, plant and equipment	1.3	0.1	+1.1
Special extra retirement payments	–	0.5	- 0.5
Other expenses	1.8	1.3	+0.5
Other expenses total	3.0	2.0	+1.0
Finance income/loss:			
Interest income/Dividends received/Interest expense	-0.1	0.1	- 0.2
Foreign exchange gain/loss (net)	0.3	-0.4	+0.7
Others	-0.3	-0.1	- 0.2
Finance income/loss, net	- 0.0	-0.4	+0.4

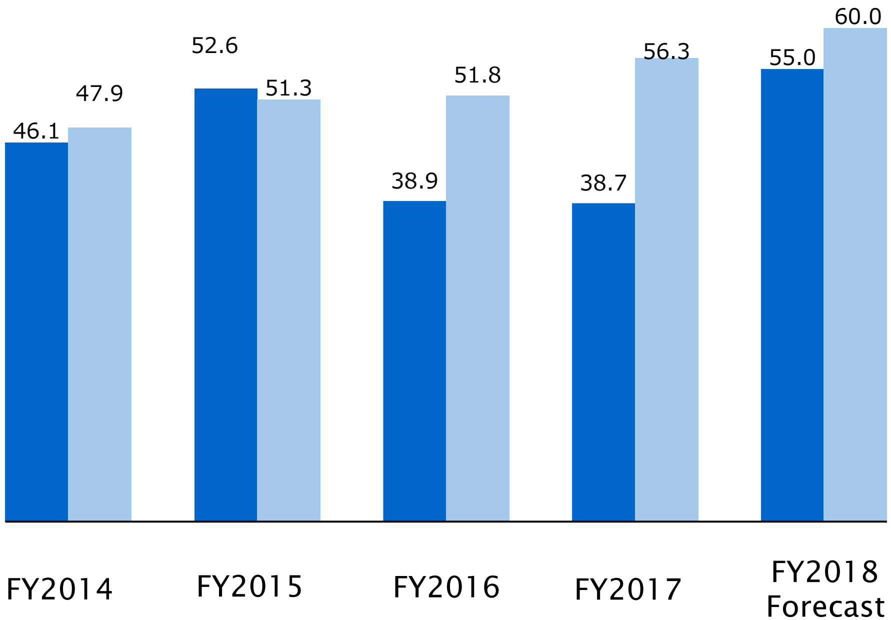
[¥ billions]

FY2018/1Q vs FY2017/1Q

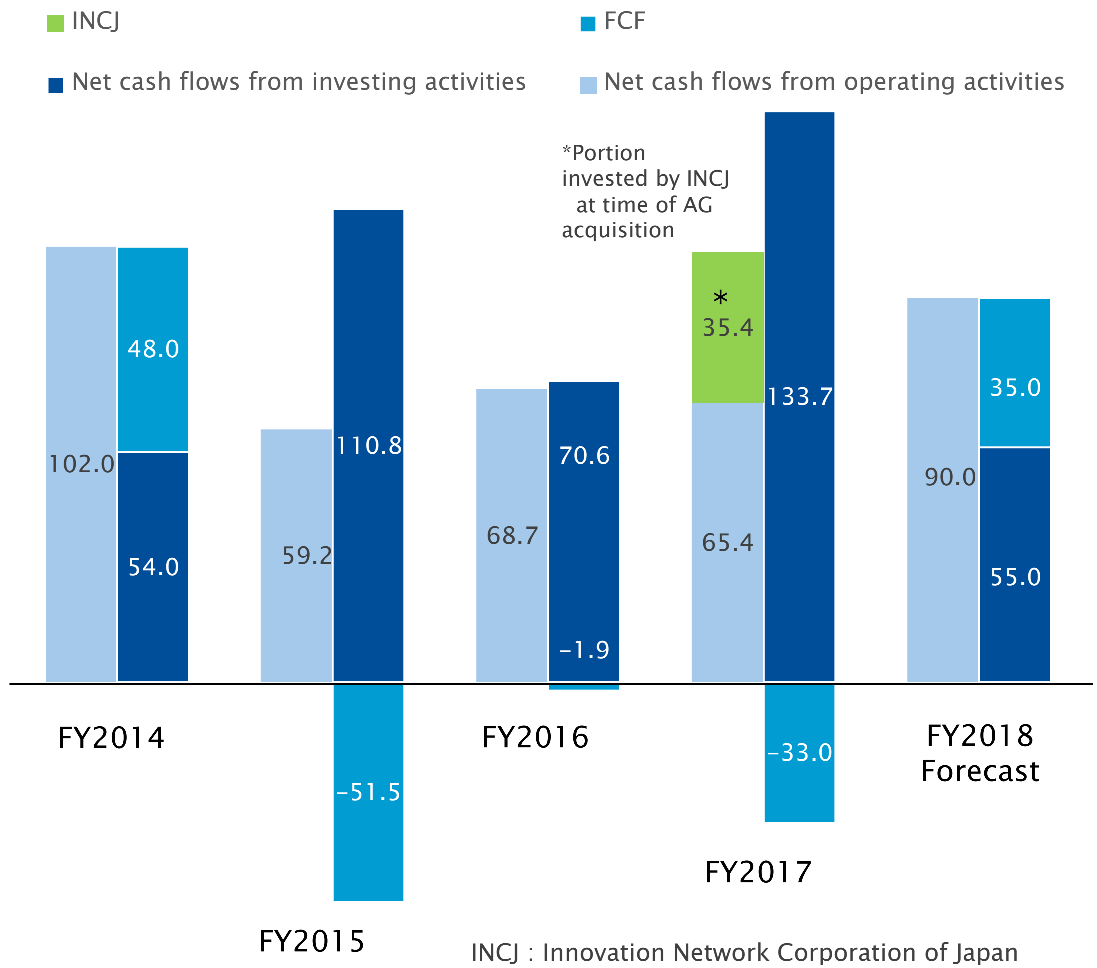
	Office	Professional Printing	Healthcare	Industrial Business	New business	corporate, etc.	Total
[Factors]							
Forex impact	2.4	0.5	0.1	-0.3	-0.0	0.0	2.7
Price change	-1.2	0.3	-0.2	-0.5	0.0	0.0	-1.6
Sales volume change, and other, net	3.2	0.9	-0.2	1.6	2.9	-0.0	8.3
Cost up/down	0.6	0.1	0.2	0.2	-0.0	0.0	1.0
SG&A change, net	-1.0	-1.9	0.4	-0.1	-5.3	-0.2	-8.0
Other income and expense	-0.1	0.2	-0.0	-0.2	0.1	4.4	4.3
[Operating Profit]							
Change, YoY	3.9	0.1	0.3	0.7	-2.4	4.2	6.7

[¥ billions]

Capital Expenditure and Depreciation and Amortization Expenses



Free Cash Flows



INCJ : Innovation Network Corporation of Japan

*FCF forecast for FY2018 does not include investment and lending

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[¥ billions]

	FY2018 12M Forcast (current)	FY2018 12M Forcast (previous)	FY2017 12M Results	YoY
Revenue	1,080.0	1,080.0	1,031.3	+ 5%
Operating Profit	62.0	60.0	53.8	+ 15%
Operating Profit ratio	*5.7%*	*5.6%*	*5.2%*	
Profit before tax	57.0	55.0	49.1	+ 16%
Profit attributable to owners of the company	38.5	37.0	32.2	+ 20%
Profit attributable to owners of the company ratio	*3.6%*	*3.4%*	*3.1%*	
EPS [Yen]	77.85	74.82	65.17	
ROE* (%)	7.2%	6.9%	6.1%	
CAPEX	55.0	55.0	38.7	
Depreciation and Amortization Expenses	60.0	60.0	56.3	
R&D expenses	80.0	80.0	77.0	
FCF	35.0	35.0	-68.4	
Investment and loan	30.0	30.0	125.0	
FOREX [Yen] USD	105.00	105.00	110.90	
EUR	125.00	125.00	129.70	

ROE*: Profit attributable to owners of the company divided by equity attributable to owners of the company (average of beginning and ending balances)

*) –33.0 without contribution from INCJ for acquisition of Ambry Genetics Corporation

KONICA MINOLTA

[¥ billions]

Revenue	FY2018 12M Forecast (current)	FY2018 12M Forecast (previous)	FY2017 12M Results	YoY
Office	585.0	585.0	583.9	+ 0%
Professional Printing	232.5	232.5	214.3	+ 9%
Healthcare	92.5	92.5	96.5	- 4%
Industrial	120.0	120.0	118.2	+ 1%
Optical systems for industrial use	40.0	40.0	43.1	- 7%
Materials and components	80.0	80.0	75.1	+ 6%
New business	50.0	50.0	17.3	+ 188%
Bio-Healthcare	35.0	35.0	9.0	+ 290%
Others	15.0	15.0	8.4	+ 79%
Corporate, etc.	0.0	0.0	1.0	-
Company overall	1,080.0	1,080.0	1,031.3	+ 5%

Operating Profit	FY2018 12M Forecast (current)		FY2018 12M Forecast (previous)		FY2017 12M Results		YoY
Office	45.0	*7.7%*	45.0	*7.7%*	44.9	*7.7%*	+ 0%
Professional Printing	12.5	*5.4%*	12.5	*5.4%*	9.3	*4.3%*	+ 35%
Healthcare	5.0	*5.4%*	5.0	*5.4%*	5.6	*5.8%*	- 10%
Industrial	19.0	*15.8%*	19.0	*15.8%*	23.5	*19.8%*	- 19%
New business	-11.5		-11.5		-16.0		-
Corporate, etc.	-8.0		-10.0		-13.4		-
Company overall	62.0	*5.7%*	60.0	*5.6%*	53.8	*5.2%*	+ 15%

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[FOREX : ¥]
[Impact, Sensitivity : ¥ billions]

	FY17	FY18	Impact to 2016		FX Sensitivity*2	
	1Q	1Q	Revenue	OP	Revenue	OP
USD	111.09	109.07	-1.8	0.1	3.3	0.0
EUR	122.19	130.06	3.4	2.3	1.8	0.7
GBP	142.00	148.55	0.5	- 0.0	0.3	0.1
European Currency*1	–	–	4.2	2.2	2.6	1.1
CNY	16.21	17.13	0.7	0.1	3.0	1.0
AUD	83.42	82.59	-0.1	-0.1	0.4	0.1
Other	–	–	-0.1	-0.2	–	–
Exchange contract effect	–	–	0.0	0.4	–	–
Total impact from FY2018	–	–	2.9	2.7	–	–

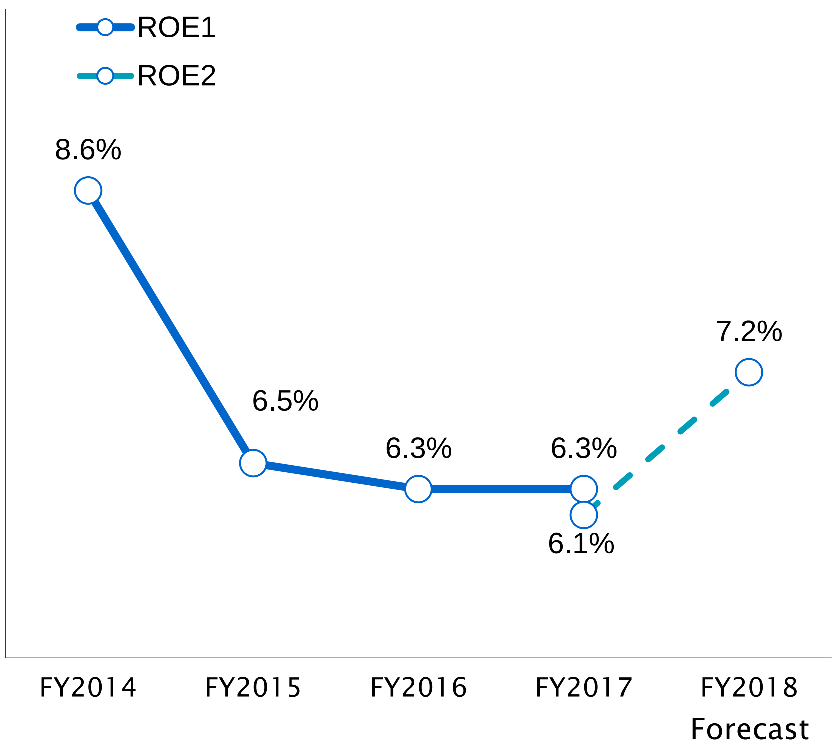
*1 European currency: Currencies used in Europe excluding EUR/GBP

*2 FOREX Sensitivity: FOREX impact at ¥1 change (annual)

ROE

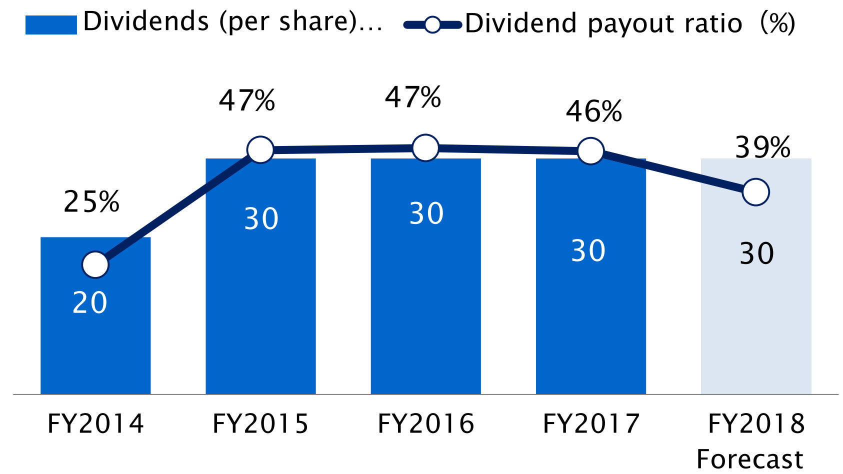
ROE1: profit for the year attributable to the owners of the company, divided by the average (using figures from start and end of year) of the sum of share capital, share premium, retained earnings and treasury shares

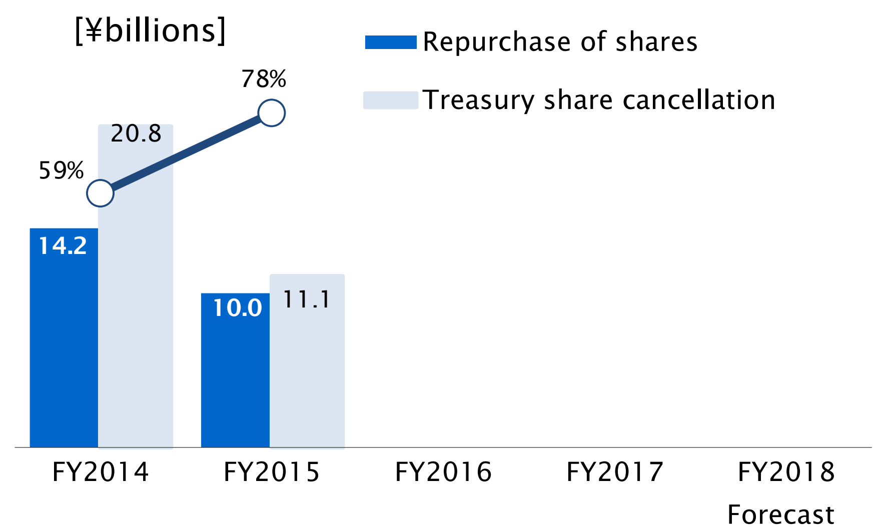
ROE2: profit attributable to owners of the company divided by equity attributable to owners of the company (average of beginning and ending balances)



Shareholder Returns

[Per share/Yen]





Composition of revenue by region (in yen)

	FY2016				FY2017				FY2018
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Japan	13%	12%	13%	13%	13%	13%	12%	12%	13%
North America	32%	34%	33%	32%	34%	34%	33%	31%	33%
EU	37%	36%	36%	38%	36%	36%	38%	40%	36%
Others	18%	18%	18%	16%	17%	17%	17%	17%	18%

Change in revenue by region (w/o FOREX)

	FY2016				FY2017				FY2018
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Japan	-1.0%	-1.0%	-1.0%	-2.0%	+2.0%	+0.0%	-1.0%	-1.0%	+4.5%
North America	+2.0%	+3.0%	+6.0%	-3.0%	+2.0%	+3.0%	-3.0%	+8.0%	+5.4%
EU	+4.0%	+4.0%	+9.0%	+4.0%	-1.0%	+2.0%	+1.0%	+4.0%	+4.2%
Others	+4.0%	+7.0%	-12.0%	-1.0%	-10.0%	-8.0%	-5.0%	-2.0%	+16.1%

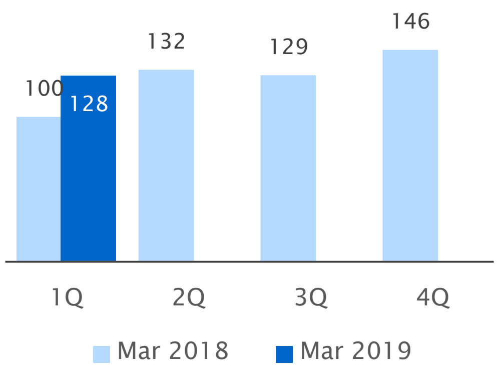
Percentage of color in sales of hardware

	FY2016				FY2017				FY2018
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Office	71%	72%	72%	72%	69%	72%	72%	72%	73%
Professional Print	74%	73%	73%	72%	78%	76%	80%	78%	81%

Appendix Quarterly Unit Sales Trends | Office/Professional Print – Products

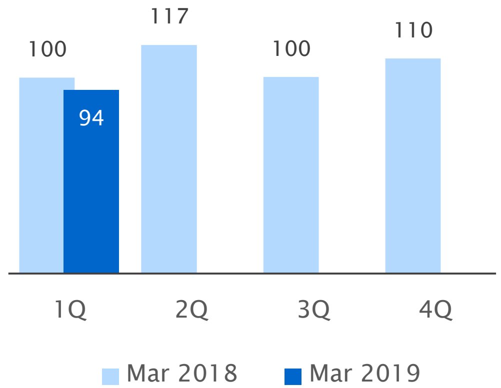
■ A3 Color MFP– Units*

YoY : +28%



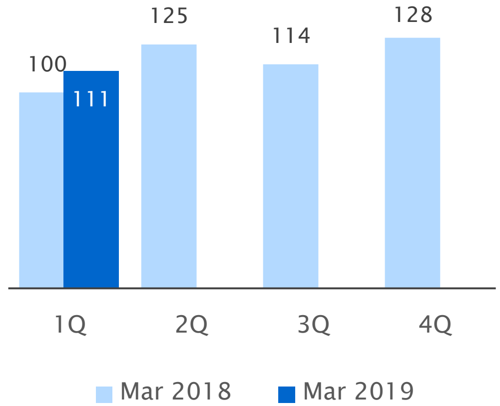
■ A3 B&W MFP– Units*

YoY : -6%



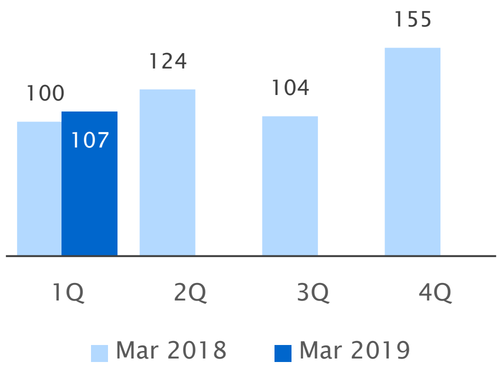
■ A3 MFP– Units*

YoY : +11%



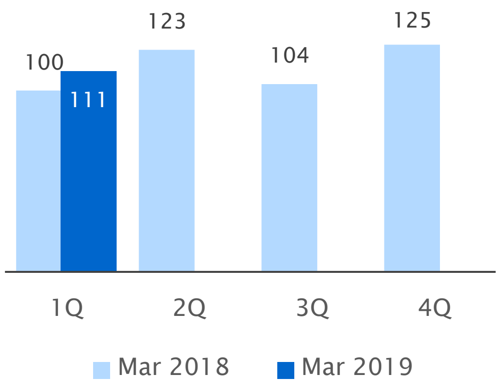
■ Color Production Print – Units*

YoY : +7%



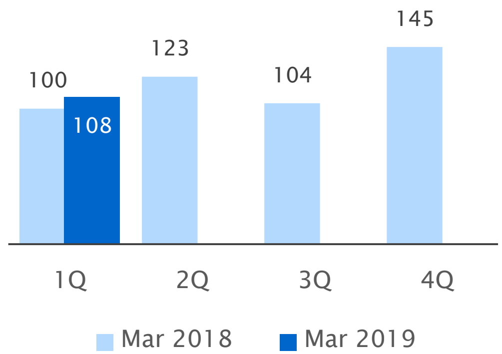
■ B&W Production Print – Units*

YoY : +11%



■ Production Print – Units*

YoY : +8%



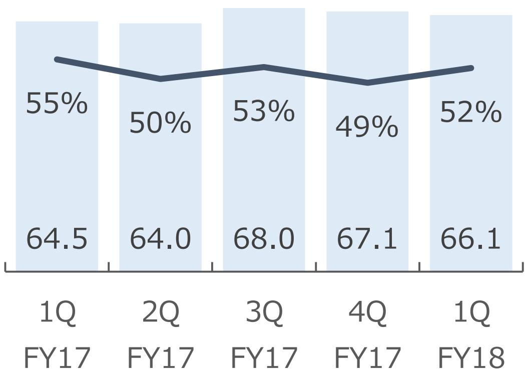
＊Base index : “1Q Mar2018” = 100

Revenue & ratio of non-hard

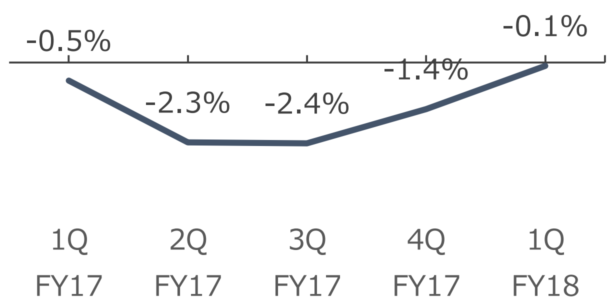
YoY revenue increase in non-hard (w/o FOREX)

Office products

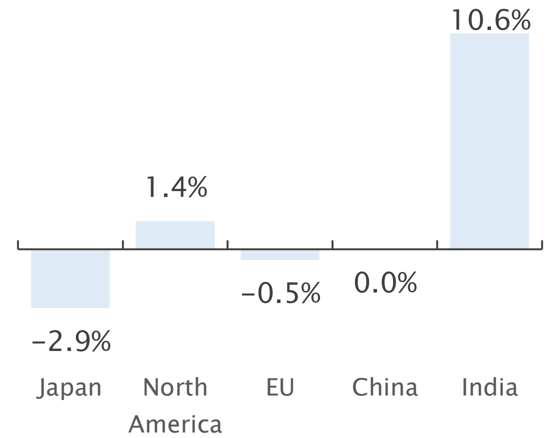
[¥ billions]



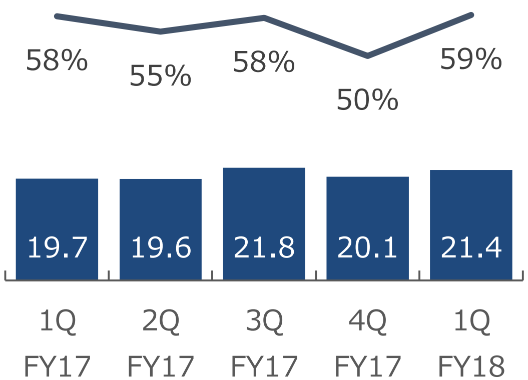
【YoY】

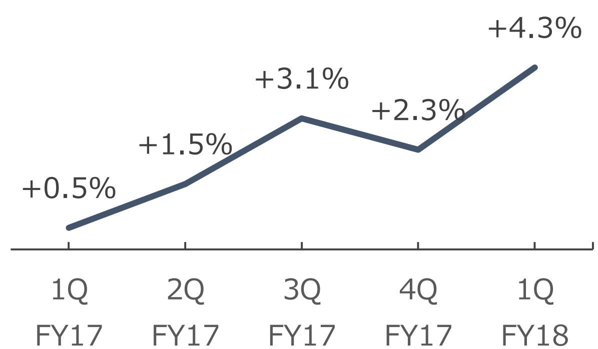


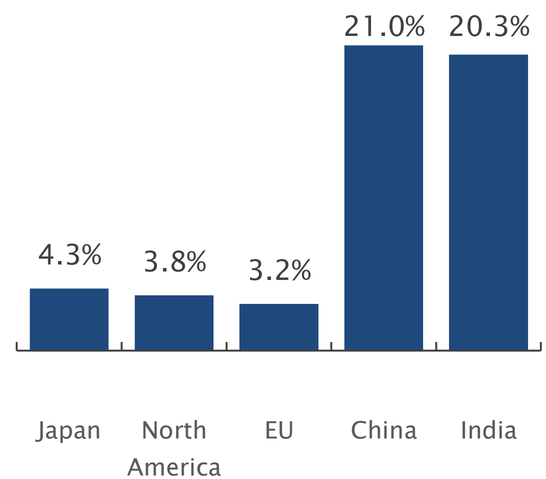
【Regional】



Production printing







KONICA MINOLTA

[¥ billions]

【Revenue】	FY16				FY17			FY18
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	1Q
Office Business	136.2	132.5	138.5	150.9	133.0	146.5	148.2	143.5
Professional Print Business	47.5	49.6	51.1	55.8	49.0	52.2	53.9	53.4
Healthcare Business	18.5	22.9	22.0	26.6	19.5	23.3	24.0	18.6
Industrial Business	24.9	25.1	24.1	27.5	28.7	31.3	30.1	31.6
Optical Systems for Industrial Use	7.0	5.7	6.1	10.5	11.7	11.5	11.1	10.1
Material・Components	17.9	19.4	18.0	17.0	17.0	19.8	19.0	21.5
New business	1.8	2.3	1.8	1.8	1.9	2.3	5.7	7.8
Bio-Healthcare	0.0	0.0	0.0	0.0	0.0	0.0	3.6	5.9
Others	1.8	2.3	1.8	1.8	1.9	2.3	2.1	2.0
Corporate etc.	0.4	0.3	0.2	0.3	0.1	0.2	0.3	0.3
Company overall	229.1	232.8	237.7	262.9	232.4	255.8	262.2	255.2

【Operating Profit】	1Q	2Q	3Q	4Q	1Q	2Q	3Q	1Q
Office Business	11.4	10.3	9.6	12.1	5.3	14.8	9.8	9.3
Professional Print Business	1.6	2.7	2.5	2.5	1.6	0.9	2.6	1.7
Healthcare Business	0.2	1.0	0.3	1.4	-0.5	3.4	1.0	-0.2
Industrial Business	3.4	3.0	10.4	5.3	6.1	5.9	5.6	6.8
New Business	-2.9	-2.2	-2.4	-2.4	-2.7	-3.2	-4.4	-5.1
Corporate etc.	-4.8	-5.2	-4.4	-3.0	-1.1	-10.0	-5.9	3.1
Company overall	8.9	9.6	15.9	15.7	8.7	11.8	8.6	15.4

Business Segments Update for FY 2018

KONICA MINOLTA

Business Segments for FY 2017

Office Business	■ IT Service Solutions ■ Office
Professional Print Business	■ Industrial Print ■ Marketing Services ■ Production Print
Healthcare Business	■ Healthcare (Modality) ■ Medical IT
Industrial Business	Optical Systems for Industrial Use ■ Measuring Instruments ■ Visual Solutions (Planetariums) Materials/Components ■ Performance Materials (+OLED/Raw materials) ■ Optical Components ■ IJ Components
New Businesses・Corporate, etc.	

■ Core Business ■ Growth Business ■ New Business

Business Segments for FY 2018

Office Business	■ IT Service Solutions ■ Office
Professional Print Business	■ Industrial Print ■ Marketing Services ■ Production Print
Healthcare Business	■ Healthcare (Modality) ■ Medical IT
Industrial Business	Optical Systems for Industrial Use ■ Measuring Instruments ■ Visual Solutions (Planetariums) Materials/Components ■ Performance Materials (+OLED/Raw materials) ■ Optical Components ■ IJ Components
New Businesses・Corporate etc.	New Businesses ■ Bio-healthcare ■ Others(WPH, Monitoring, QOL, Digital manufacturing) Corporate, etc.

Glossary

KONICA MINOLTA

・**MCS (Managed Content Services):（Office Business）**
The collective term given to services for centrally managing paper or digital documents, e-mails, forms, diagrams, and other such business content, and for building systems to properly use, store, and dispose of this content.

・**IQ-501 (Intelligent Quality Optimizer): (Professional Print Business)**
An optional unit that implements constant monitoring/control during printing to automate color management and front/back register control. This drastically cuts down on control times and increases production time.

・**MGI (MGI Digital Graphic Technology): (Professional Print Business)**
MGI is an output device manufacturer based in France. Konica Minolta formed a financial and strategic alliance with MGI in 2014, and MGI became a consolidated subsidiary in 2016. MGI provides unique products requiring special techniques such as decorative printing that are tailored to customer needs, and operates its global business in North America and Asia with a particular focus on Europe.

・**DM (Digital Manufacturing):（New Business）**
New manufacturing solutions based on ICT and the IoT that are not dependent on people, places, countries, or fluctuations.

・**Workplace Hub (WPH): (New Business)**
This is a platform that will become the base for the IoT business that Konica Minolta plans to focus on. In addition to MFP functions, a server is integrated to create a solution that drives efficiencies by reducing the overall costs of IT infrastructure management, providing real-time data-driven visibility of IT usage patterns that help to improve business processes. This will link people and data, and empower them to make smarter decisions and solve problems in the office.

・**CRE Strategy (Corporate Real Estate Strategy): (Corporate)**
A corporate strategy for a corporation to utilize its assets and real estate more efficiently in ways that benefit its business.

・**S&LB (Sale and Leaseback): (Corporate)**
A method for using assets more efficiently as part of a corporate strategy, in which a corporation sells one of its assets and then continues to use the asset by leasing it back.

Cautionary Statement:
The forecasts mentioned in this material are the results of estimations based on currently available information, and accordingly, contain risks and uncertainties. The actual results of business performance may sometimes differ from those forecasts due to various factors.

Remarks:
Yen amounts are rounded to the nearest 100 million.